

BIRMINGHAM CITY COUNCIL

PUBLIC REPORT

Report to:	CABINET
Report of:	Corporate Director, Economy
Date of Decision:	18 September 2018
SUBJECT:	Building Birmingham: Full Business Case - Delivering the BMHT Housing Development Programme 2018/19 (Phase 1)
Key Decision:	Yes
If not in the Forward Plan: (please "X" box)	Relevant Forward Plan Ref: 04602/2018
Relevant Cabinet Member(s)	Chief Executive approved O&S Chair approved Councillor Ian Ward, Leader Councillor Sharon Thompson, Homes and Neighbourhoods Councillor Brett O'Reilly, Finance and Resources
Relevant O&S Chair:	Councillor Penny Holbrook, Housing and Neighbourhoods
Wards affected:	Councillor Sir Albert Bore, Resources South Yardley, Billesley, Heartlands, Sutton Roughley, Sutton Walmley and, Minworth, Longbridge and West Heath

1. Purpose of report:

- 1.1 To approve the Full Business Case (FBC) set out in Appendix 1 for the proposed development totalling 41 new homes for Social Rent. This forms Phase 1 of the, recommended New Council Housing Development Programme 2018/9 using its Birmingham Municipal Housing Trust (BMHT) delivery vehicle. A second phase of new starts for 2018/9 will be presented to Cabinet for consideration later in 2018.

2. Decision(s) recommended:

That Cabinet :-

- 2.1 Approves the FBC as set out in Appendix 1 of this report for the 2018-19 BMHT Programme at a cost of £6.7m in relation to the developments identified in the scheme summary annexed at Appendix 3.
- 2.2 Approves the commencement of the procurement activity for these schemes as identified in the Scheme Summary by carrying out a further competition exercise using the BMHT Dynamic Purchasing System.
- 2.3 Delegates approval to award contracts following the procurement processes as detailed in Section 5 of this report to the Corporate Director, Economy in conjunction with the Director of Commissioning and Procurement, the Corporate Director, Finance and Governance (or their delegate) and the City Solicitor (or their delegate)

- 2.4 Authorises the Corporate Director, Economy to seek consent from the Secretary of State under Section 174 of the Localism Act 2011 to exclude the new properties to be constructed from Right to Buy pooling requirements, to ensure that any capital receipts generated from the sale of homes under the Right to Buy are retained by the Council.
- 2.5 Authorises the Corporate Director, Economy to receive the result of any consultations concerning the loss of Public Open Space notices in accordance with Section 123 (2A) of the Local Government Act 1972 and to decide whether to proceed with the relevant disposal or appropriation of Public Open Space under Section 122 (2A) in consultation with the Leader and the Cabinet Member for Homes and Neighbourhoods.
- 2.6 Authorises the Corporate Director, Economy to submit and process all necessary Highway Closure applications and notices required to facilitate the development of sites highlighted in the Scheme Summary at Appendix 3 of this report and to enter into any appropriate agreements for alterations to highway access to the sites.
- 2.7 Delegates to the Assistant Director- Property the power to amend or vary the development boundaries of any of the sites in the Scheme Summary at Appendix 3.
- 2.8 Authorises the Corporate Director, Economy to apply for and accept any external funding associated with the schemes listed in the Scheme Summary at Appendix 3 to help support the delivery of this programme (subject to satisfactory approval of any associated funding conditions).
- 2.9 Authorises the City Solicitor to negotiate, execute and complete all necessary documentation to give effect to the above recommendations including the execution and completion of all appropriate way leaves, easements and highway agreements required for the development of the sites listed in the Scheme Summary at Appendix 3.

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3. Consultation

3.1 Internal

- 3.1.1 Ward and Town Council Members' relevant to the sites identified in this report have been consulted and summarised in Appendix 2.
- 3.1.2 The Cabinet Member for Clean Streets, Waste and Recycling has been consulted on the contents of this report and supports the recommendations
- 3.1.3 Officers in Legal Services, Procurement, City Finance, Birmingham Property Services, Parks and Housing Development have been involved in the preparation of this report.

3.2 External

- 3.2.1 Where planning applications have yet to be made, relevant Ward and Town Councillors will be further consulted on the detailed proposals of each scheme in the 2018-19 New Council House-Building Programme

4. Compliance Issues:

- 4.1.1 The development of new affordable housing within the City is in accordance with the objectives of the Housing Revenue Account (HRA) Business Plan 2018+.
- 4.1.2 The proposed sites support the delivery of the core objectives of the Birmingham Development Plan (BDP) which was adopted by the Council on 10 January 2017 to increase housing growth.
- 4.1.3 These proposed new homes will work in line with the Council's emerging, '*A Waste Strategy for Birmingham*' policy document by developing plans that aim to reduce the amount of waste that is created, reusing and recycling what we can, and recovering energy from any remaining waste where possible.
- 4.1.4 This project will make a direct contribution to the Council's core vision and priorities set out in the Council's Vision and Forward Plan 2018+ as:

- **Birmingham is an aspirational city to grow up in;** new homes will be developed which will provide a safe, warm, sustainable and connected neighbourhood in which our children can thrive.
- **Birmingham is a great city to live in;** - the Council is committed to the development of enough high quality new homes to meet the needs of a growing city, and the proposals within this report seek to accelerate housing growth in the city by providing new homes for rent and sale on the proposed sites. New homes will help ease pressure on the Housing Waiting List that currently has around 10,500 people registered as in housing need.
- **Birmingham is an entrepreneurial city to learn, work and invest in;** activity within the construction sector will create jobs and apprenticeships in the city, and activity in the supply chain industries, supporting the local economy through the Birmingham Business Charter for Social Responsibility.
- **Birmingham is a fulfilling city to age well in;** the links between health and housing are well recognised. New thermally efficient, economical to run new homes which are designed to high standards of quality and internal space standards will be more affordable for residents and will offer a higher quality of life leading to better health outcomes.

4.1.5 **Birmingham Business Charter for Social Responsibility (BB4CSR)**

Compliance with the BB4CSR is a mandatory requirement that will form part of the conditions of the contracts. Tenderers will submit an action plan with their tender that will be evaluated in accordance with the evaluation criteria. The action plan of the successful tenderers with actions proportionate to the value of the contracts will be implemented and monitored during the contract periods.

: The benefits will include, as a minimum:

- An estimated 7 people will benefit from apprenticeships and local work placements and training opportunities
- Mentoring support to local colleges
- Use of *FindItInBirmingham* as a primary source to advertise supply chain opportunities to local businesses
- Engagement with local schools and community groups to provide information about the construction industry
- Provision of support to the local community eg planters to schools, waste timber to schools, litter picking in the area of each scheme etc.
- Payment of the Birmingham Living Wage in accordance with the policy

In recognition of the Council's policy to support sheltered workshops and its commitment to promote such firms who employ people with disabilities, tender invitations for all schemes will include a requirement for contractors to seek a competitive quotation from Shelforce for the supply of windows and doors. Whilst this does not mandate contractors to use Shelforce, it will ensure they have the opportunity to price for these opportunities and work alongside the various SMEs who will deliver the schemes for the Council under the banner of BMHT.

4.2 Financial Implications

- 4.2.1 The estimated total capital cost of the proposed developments at all 6 sites is £6.7m. The developments will be funded from Housing Revenue Account (HRA) revenue contributions, Right to Buy (RtB) One-for-One receipts, RtB general receipts, Affordable Housing Section 106 and any grant income that might be secured on these schemes, although none is assumed at the point of preparing this report. The FBC document for these developments is included in Appendix 1 and includes further details of the funding of these schemes.
- 4.2.2 The future running costs of the properties and areas of public realm retained within the schemes will be met from ongoing rental income to be derived from the new build properties. This will result in an overall revenue surplus to the HRA over 30 years of £4.6m.
- 4.2.3 The financial viability of the proposals is based on the social housing rent policy that was outlined by the Chancellor of the Exchequer on 2nd July 2015 (i.e. that rents will be reduced by 1% per annum from 2016-17 to 2019-20). Rents will then revert to the Consumer Price Index (CPI)+1% after 2019-20 (currently projected at 3% per year). However, should rents not increase at this rate, it is anticipated that efficiency savings within the HRA will be needed to ensure that the scheme breaks even.
- 4.2.4 The new Council rented homes will be subject to the Right to Buy cost floor regulations, which mean that for the first 15 years following the completion of the new homes, any tenant purchasing their Council property through Right to Buy will be obliged to pay the Council full construction cost of the property, irrespective of any discount to which they may be entitled under the Right to Buy legislation.
- 4.2.5 Where new highway is required to enable these sites to be redeveloped to support the housing construction described in this report then such development costs and ongoing maintenance costs will be met by the HRA. Appropriate permissions to construct highway will also be required. Opportunities will be explored to align any changes to the highway as a consequence of each new development to the Highways Management and

Maintenance PFI (HMMPFI) programme of works to minimise costs of delivery to the schemes.

4.3 Legal Implications

- 4.3.1 As the Housing Authority, the relevant legal powers relating to the discharge of the Council's statutory function to provide for its housing need are contained in Section 9 of the Housing Act 1985.
- 4.3.2 The Council's statutory highway powers to facilitate the developments are contained in the Highways Act 1980 and The Town & Country Planning Act 1990. S1 of the Localism Act 2011 contains the Council's general power of competence and S111 of the Local Government Act 1972 contains the Council's subsidiary financial power in relation to the discharge of any of its functions.

4.4 Public Sector Equality Duty

- 4.4.1 There are currently around 10,500 people on the Council's waiting list for affordable housing. Many of these people live in overcrowded conditions across the housing sector. Evidence from allocating properties previously developed under the Birmingham Municipal Housing Trust (BMHT) banner has revealed the extent of this problem, many families being allocated from accommodation that was too small for their needs.
- 4.4.2 The BMHT Delivery Plan for 2015-20 included an Equality Impact Analysis and was agreed by Cabinet in December 2014 which operates city-wide. It includes areas where different cultural requirements will need to be reflected in the design of the homes provided. Feedback from previous schemes delivered has been utilised and these will be used in developing the schemes outlined within the BMHT Delivery Plan. This Equality Impact Analysis is deemed to be still appropriate for the purposes of the recommendations contained within this report and is annexed as a background document.
- 4.4.3 Through the BMHT programme, which is being delivered under the BMHT Delivery Plan 2015-20, the Council provides homes that reflect the Strategic Housing Market Assessment for Birmingham with an emphasis on 2 bedroom houses and 4+ bedroom houses. Whilst there is a clear driver for family homes (and these make up the majority of the new development programme) the programme also looks to meet other needs, such as vulnerable people without children and elderly residents who wish to down-size from under-occupied homes. Local need, site restrictions and financial viability are taken into account when determining the exact mix of homes and typologies to build on each site.

5. Relevant background/chronology of key events:

- 5.1 In December 2014, Cabinet approved a five-year development plan for the Council's new house building programme. This report acknowledges that plan and seeks approvals for a range of sites to form an initial phase of the 2018/19 housing development programme.
- 5.2 This programme of proposed new starts proposed for 2018/9 contains mostly small schemes, many being former, redundant garage courts and surplus amenity land that are suitable for small, infill development and which have been supported in principle by Ward Members. The programme aims to deliver new homes linked to housing needs. Smaller schemes do not benefit from the economies of scale that are enjoyed by larger

BMHT schemes but none the less deliver growth and deal with otherwise problematic sites that would be unattractive to the market. As such the unit cost of the programme is higher to reflect the costs of the Council taking forward these sites for development, but will see the Council remaining as the largest provider of Affordable Homes in Birmingham; a fact that was acknowledged in June 2018 by the Council winning the 'Social Housing Provider of the Year' award at the Midlands Residential Property Awards for the third year running.

- 5.3 Elected Members in wards with proposed schemes included in the Scheme Summary at Appendix 3 have been consulted on the principle of residential development and a schedule of Members' responses is included in Appendix 2. Further consultation will be undertaken as part of the planning application process. Whilst addressing the overall strategic needs of the Council's housing requirements it is acknowledged that these are mainly small sites, so Members' preferences in terms of the suggested mix of properties have been taken account of in developing proposals, which has included larger 4 and 5 bedroom houses on some schemes or using bungalows to meet older persons needs on others. Where schemes require a planning application local residents will be consulted via this process. A short summary of former land uses and scheme details/numbers is also included in Appendix 3.
- 5.4 The Housing Revenue Account Business Plan contains a number of assumptions about the provision of new affordable housing. This includes substantial projects already underway in the Housing Development Programme which will be implemented over a number of years. A list of forecasted completions with the recommended schemes forming Phase 1 of the 2018-19 new starts programme is contained in Appendix 4.
- 5.5 These proposals form Phase 1 of the 2018/9 new-starts programme and are all for Social Rent. Other sites, including schemes for mixed-tenure, are being developed for consideration by Cabinet later in 2018.
- 5.6 These new schemes will be in addition to a number of BMHT and Forward Homes schemes already on site and due to be completed in the financial year 2018/9.
- 5.7 All homes have been designed in-house by the BMHT team, guaranteeing the best possible design both internally and externally. Careful consideration is given to neighbourhood services including waste storage and collection, with internal consultation being undertaken to consider appropriate size of bins, impact on collection rounds and any cost implications ahead of submitting any planning approvals. Dedicated and secure areas are shown on BMHT planning applications for both general waste and recycling bins in rear gardens with no household having to bring their bins through the main dwelling.
- 5.8 Whilst none of the proposed schemes sought at recommendation 2.1 of this report are currently supported by any external grant funding however, ongoing conversations with partners such as the Local Enterprise Partnership (LEP) and Homes England may result in funding becoming available during the course of the scheme development. On this basis Cabinet are asked to support any bids made as set out in Section 2.9 of this report for such funding to any/all appropriate bodies, subject to funding conditions being approved and proportionate.
- 5.9 A levy of £500 per home constructed is applied to all contractors who win tenders for BMHT. This is used to fund the Council's award-winning Building Birmingham Scholarship programme that supports young people from low income households into higher education.

5.10 All of the schemes are 15 units or fewer and will be tendered using the BMHT Dynamic Purchasing System in accordance with its protocol and agreed in the report to Cabinet in June 2016 ‘Supporting Small and Medium-Sized Enterprises – A Tender Strategy for establishing the Birmingham Municipal Housing Trust Dynamic Purchasing System’

6. Evaluation of alternative option(s):

- 6.1 **Disposal of land on private market** – this option is discounted as HRA land is currently earmarked for the ongoing delivery of the BMHT programme. These sites as set out in the Scheme Summary are unlikely to be attractive to the private sector due to their small size.
- 6.2 **Deliver all new homes for outright sale** – this option is discounted on the basis that the cost of construction and associated fees on small sites is generally more than the current market value of the new homes and would therefore mean that the Council would lose money by developing these homes for outright sale.

7. Reasons for Decision(s):

- 7.1 The planning and procurement process for delivery of these schemes will support the Council in delivering housing growth across the City by providing as many new homes as possible using the Council’s resources, whilst in tandem addressing housing management issues around parcels of derelict land and anti-social behaviour by bringing as much land as possible into use for developing new homes.

Signatures		<u>Date</u>
Councillor Ian Ward, Leader, Birmingham City Council
Councillor Sharon Thompson Cabinet Member for Homes and Neighbourhoods
Councillor Brett O'Reilly Cabinet Member for Finance and Resources
Waheed Nazir Corporate Director, Economy

List of Background Documents used to compile this Report:

- HRA Business Plan 2018+
- BMHT Delivery Plan Cabinet Report (November 2014)
- Report to Cabinet 28/6/16 'Supporting Small and Medium-Sized Enterprises – A Tender Strategy for establishing the Birmingham Municipal Housing Trust Dynamic Purchasing System'
- Equality Impact Assessment (2014)

List of Appendices accompanying this Report (if any):

1. Full Business Case (FBC)
2. Consultation Summary (Ward Councillors)
3. Schemes Summary
4. BMHT Projected Completions 2018/19 to 2021/22
5. Site Plans

PROTOCOL PUBLIC SECTOR EQUALITY DUTY

- 1 The public sector equality duty drives the need for equality assessments (Initial and Full). An initial assessment should, be prepared from the outset based upon available knowledge and information.
- 2 If there is no adverse impact then that fact should be stated within the Report section 4.4 and the initial assessment document appended to the Report duly signed and dated. A summary of the statutory duty is annexed to this Protocol and should be referred to in section 4.4 of executive reports for decision and then attached in an appendix; the term 'adverse impact' refers to any decision-making by the Council which can be judged as likely to be contrary in whole or in part to the equality duty.
- 3 A full assessment should be prepared where necessary and consultation should then take place.
- 4 Consultation should address any possible adverse impact upon service users, providers and those within the scope of the report; questions need to assist to identify adverse impact which might be contrary to the equality duty and engage all such persons in a dialogue which might identify ways in which any adverse impact might be avoided or, if avoidance is not possible, reduced.
- 5 Responses to the consultation should be analysed in order to identify:
 - (a) whether there is adverse impact upon persons within the protected categories
 - (b) what is the nature of this adverse impact
 - (c) whether the adverse impact can be avoided and at what cost – and if not –
 - (d) what mitigating actions can be taken and at what cost
- 6 The impact assessment carried out at the outset will need to be amended to have due regard to the matters in (4) above.
- 7 Where there is adverse impact the final Report should contain:
 - a summary of the adverse impact and any possible mitigating actions (in section 4.4 or an appendix if necessary)
 - the full equality impact assessment (as an appendix)
 - the equality duty (as an appendix).

Equality Act 2010

The Executive must have due regard to the public sector equality duty when considering Council reports for decision.

The public sector equality duty is as follows:

- 1 The Council must, in the exercise of its functions, have due regard to the need to:
 - (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by the Equality Act;
 - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
 - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
- 2 Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:
 - (a) remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;
 - (b) take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it;
 - (c) encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.
- 3 The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.
- 4 Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:
 - (a) tackle prejudice, and
 - (b) promote understanding.
- 5 The relevant protected characteristics are:
 - (a) marriage & civil partnership
 - (b) age
 - (c) disability
 - (d) gender reassignment
 - (e) pregnancy and maternity
 - (f) race
 - (g) religion or belief
 - (h) sex
 - (i) sexual orientation

Appendix 1 - Full Business Case (FBC)			
1. General Information			
Directorate	Economy	Portfolio/Committee	Homes and Neighbourhoods
Project Title	BMHT New Starts 2018 (Phase 1)	Project Code	Various
Project Description	<p><i>In December 2014, Cabinet approved a five-year development programme (2015-20) of around 2,000 new homes as part of the Council's commitment to delivering new homes across the city. The Housing Revenue Account Business Plan 2018+ is based upon the delivery of new council stock, replacing homes lost due to planned clearance and Right to Buy.</i></p> <p><i>The five-year programme proposed various development sites including an assumption of developing around 30 units per annum on former garage sites. Assumptions were made about potential windfall sites on un-used amenity land and open space identified in previous years and given some in-principle approval by ward councillors. This report forms Phase 1 of a proposed larger new-starts programme, with a report on Phase 2 planned for Cabinet consideration later in 2018.</i></p> <p><i>This report seeks approval for Phase 1 of a development programme starting in 2018/9 of 41 units for social rent. These homes will be completed by July 2020 with most being completed by Q4 of the 2019/20 financial year.</i></p>		
Links to Corporate and Service Outcomes	<p><i>This project will make a direct contribution to both Corporate and Directorate outcomes, including the following:</i></p> <ul style="list-style-type: none"> <i>Birmingham is an aspirational city to grow in: Providing affordable rented homes at Social Rents to meet housing need across Birmingham</i> <i>Birmingham is a great city to live in: Children and families will not live in poverty – Birmingham will be a "Living Wage City".</i> <i>Birmingham is an entrepreneurial city to learn, work and invest in: People will have the qualifications they need for work, including qualifications for school leavers and working age population skills. The BMHT programme links directly to the Building Birmingham Scholarship programme of supporting young people access higher education opportunities from low income households and building contracts will include the need to offer apprenticeships and local training opportunities.</i> <i>Birmingham is a fulfilling city to age well in – Providing modern, spacious, well heated and well insulated/ventilated homes.</i> <i>Housing Revenue Account Business Plan 2018+</i> <i>Birmingham Development Plan (BDP).</i> <i>Businesses will be growing and potentially new ones starting up.</i> <i>Sustainability: The scheme will help make Birmingham more environmentally sustainable by providing energy efficient rented homes for people on lower incomes.</i> <i>Homelessness Strategy 2012</i> 		
Options Appraisal Approved by	Cabinet	Date of Approval	8 December 2014 (BMHT Delivery Plan 2015-2020)

Benefits Quantification- Impact on Outcomes	Measure	Impact	
	New homes built for affordable and social rent that will be made available to meet demand across the City.	A total of 41 rented homes built for social rent (BMHT)	
	Training and employment opportunities secured through the developments.	A minimum of 7 apprenticeship opportunities based on an assumption of £1m of contract value per full time apprenticeship.	
Project Deliverables	The project will deliver 41 new homes for social rent via BMHT and will also provide a minimum of 7 apprenticeships, further training opportunities (assessed at tender evaluation stage) and £20,500 of income to support the Building Birmingham Scholarship initiative.		
Scope	<p>A number of elements have already been delivered for this project that provide critical information to move the project forward, these include:</p> <ul style="list-style-type: none">• An Employers’ Agent (EA) has been appointed for each site.• Detailed site investigations / utility / surveys completed.• Scheme layouts have been developed by the pre-contract scheme architect, appraised by the Planning Management and Housing Development teams and in some cases planning applications already secured or submitted after successful pre-application confirmation. The status of each scheme is set out in Appendix 3• Cost estimate reports have been produced for the development options by the EA. <p>The key elements within the scope of the project are set out below. The indicative timescale is as follows:</p> <ul style="list-style-type: none">• Obtain Cabinet approval September 2018.• Submit remaining Planning application submissions (ongoing)• Commence procurement processes for all schemes (September/October 2018).• All planning approvals secured by January 2019• Award contracts for all schemes in January / February 2019• Undertake any associated/remaining demolition• Start on site development Feb-April 2019.• First completed rented property Autumn 2019.• All schemes completed by 1 July 2020		
Scope exclusions	The project does not consider the detailed arrangements for the management or on-going maintenance of the Council housing once built, which will be dealt with under the existing arrangements for HRA dwellings. Provision for the maintenance of any retained or new Public Open Space or amenity space associated with these schemes has been accounted for in the scheme costs. Where demolition of former garages or other structures are necessary, in addition to demolition included in this report and already approved, then these have been included in other Executive approvals.		
Procurement Implications	All of the schemes are 15 units or fewer and will therefore be tendered using the BMHT Dynamic Purchasing System in accordance with its protocol and agreed in the report to Cabinet 28/6/16 ‘Supporting Small and Medium-Sized Enterprises – A Tender Strategy for establishing the Birmingham Municipal Housing Trust Dynamic Purchasing System’		

	<p><i>The forms of contract for all schemes will be the JCT Standard Design and Build Form. The Council will develop the designs to detailed planning application and will carry out investigations and surveys necessary to support this. The appointed contractors will be required to take this information, complete the design works, clear any residual planning conditions and carry out the complete construction of the dwellings to the Council's specification and in accordance with all appropriate standards and requirements. For further information see Appendix 4.</i></p>
Taxation Implications	<p><i>The development includes pre contract expenditure and new build homes expenditure on land owned by Birmingham City Council, together with the sale of some of the properties that will be built. There are no specific tax implications connected with this development.</i></p>
Accountable Body	<p><i>Not applicable</i></p>
Dependencies on other projects or activities	<p><i>Key dependencies include:</i></p> <ul style="list-style-type: none"> <i>• Completion of all legal agreements/ building contracts.</i> <i>• Obtaining all outstanding planning consents.</i> <i>• Demolition (where necessary)</i> <i>• Appointment of Contractor Partners.</i> <i>• Infrastructure works and highways agreements.</i> <i>• Advertise loss of public open space/consideration of consultation responses.</i>
Achievability	<p><i>Birmingham City Council is an award winning developer of mixed use residential housing developments delivered through its Birmingham Municipal Housing Trust (BMHT) model.</i></p> <p><i>BMHT was set up by the Council in 2009 to build new council homes. Since 2009, the BMHT has developed almost 3000 new homes for rent and for sale. BMHT has a proven track record on delivery and established itself as the biggest house builder in Birmingham. BMHT has built an average of over 440 homes per annum over the last 5 years, making it the largest house-building in the city.</i></p>
Project Manager	<p><i>Steve Dallaway, Housing Development Manager, Economy Directorate. T: (0121) 303 7879 steve.dallaway@birmingham.gov.uk</i></p>
Budget Holder	<p><i>Clive Skidmore, Assistant Director, Housing Development. T: 303 3341</i></p>

	<i>clive.skidmore@birmingham.gov.uk</i>)		
Sponsor	Waheed Nazir, Corporate Director, Economy <i>waheed.nazir@birmingham.gov.uk</i>		
Project Accountant	Nick Ward, Finance Manager, City Finance T:464 4282 nick.ward@birmingham.gov.uk		
Project Board Members	Waheed Nazir, Corporate Director, Economy T:464 7735 waheed.nazir@birmingham.gov.uk John Jamieson, Head of Asset Management and Maintenance, T: 303 9420 john.jamieson@birmingham.gov.uk Clive Skidmore, Assistant Director, Housing Development. T: 303 3341 clive.skidmore@birmingham.gov.uk Tracey Radford, Head of Housing Management, T: 303 5683 tracey.radford@birmingham.gov.uk Guy Olivant, Head of City Finance T: 303 4752 guy.olivant@birmingham.gov.uk		
Finance Business Partner (FBP)	Guy Olivant, Head of City Finance T: 303 4752 guy.olivant@birmingham.gov.uk	Date of FBC Approval:	

Key Inputs			
Construction		Running Costs, etc.	
Total Build Costs (including fees and POS)	£6.71m	Weekly rent	2 bed £117.62 / 3 bed £112.80 / 4 bed £131.48
Total Sales Income	£0.00m	Rent loss - voids / arrears	3.0%
		Annual rent increase	-1.0% until 2019/20 then 3.0% ongoing
RTB Activity	None	Management Costs	£737
Key Outputs		Repairs Costs	£938
(Surplus) / Deficit after 30 years	£(4.59)m	Capital Works (5-yearly)	£4,702
		Annual Cost Increase	2.5% (CPI 2.0%)

HRA Extract	2017/18	2018/19	2019/20	2020/21	Total Year 0 to Year 30
	Year 0	Year 1	Year 2	Year 3	
	£m	£m	£m	£m	
Rental Income	0.00	0.00	(0.04)	(0.22)	(11.08)
Voids and arrears	0.00	0.00	0.00	0.01	0.33
Repairs and Maintenance	0.00	0.00	0.01	0.03	1.61
Management Costs	0.00	0.00	0.01	0.02	1.26
Cash-backed Depreciation	0.00	0.00	0.03	0.04	1.64
HRA Deficit / (Surplus) Contribution	0.00	0.00	0.01	(0.12)	(6.24)
Revenue contributions from wider HRA (to fund capital investment shown below)	(0.03)	(0.22)	(1.35)	(0.06)	(1.65)
Net HRA Impact	0.03	0.22	1.36	(0.07)	(4.59)

Capital Account	2017/18	2018/19	2019/20	2020/21	Total Year 0 to Year 30
	Year 0	Year 1	Year 2	Year 3	
	£m	£m	£m	£m	£m
Pre Contract Costs	0.03	0.16	0.00	0.00	0.19
Build Costs (including Fees)	0.00	0.51	5.86	0.15	6.52
POS Costs (including Commuted Sum)	0.00	0.00	0.00	0.00	0.00
Total Development Costs	0.03	0.67	5.86	0.15	6.71
Capital Investment / Renewals ¹	0.00	0.00	0.00	0.00	1.34
Other Capital Financing (RTB 1-4-1 / Affordable Housing S106 / General RTB Receipts)	0.00	(0.45)	(4.51)	(0.10)	(5.06)
Revenue Contributions from wider HRA	(0.03)	(0.22)	(1.35)	(0.06)	(1.65)
Receipts	0.00	0.00	0.00	0.00	0.00
Cyclical Maintenance Reserve Release	0.00	0.00	0.00	0.00	(1.34)
Total Capital Income	(0.03)	(0.67)	(5.86)	(0.15)	(6.71)
Capital Account (Surplus) / Deficit	0.00	0.00	0.00	0.00	0.00

Balance Sheet Extract	2017/18	2018/19	2019/20	2020/21	2046/47
	Year 0	Year 1	Year 2	Year 3	Year 30
	£m	£m	£m	£m	£m
Land & Buildings	0.00	0.00	6.55	9.41	18.33
Cyclical Investment Reserve	0.00	0.00	0.03	0.07	0.30
Capital Reserve	0.00	0.00	(6.58)	(9.48)	(18.63)
Net	0.00	0.00	0.00	0.00	0.00

Properties	2018/19	2019/20	2020/21	2021/22	Total Year 1 to Year 30
	Year 1	Year 2	Year 3	Year 4	
Social Rent Properties	0	27	14	0	41
Total Properties	0	27	14	0	41

Note:

1. Formal approval to the ongoing capital investment / renewals programme (at a total value of £1.34 million over the coming 30 years) will be sought in due course as a part of the overall HRA capital programme as details of elemental investment needs emerge over time.

3. Checklist of Documents Supporting the FBC		
Item	Mandatory attachment	Number attached
Financial Case and Plan		
<ul style="list-style-type: none"> Detailed workings in support of the above Budget Summary (as necessary) 	Mandatory	
<ul style="list-style-type: none"> Milestone Dates/ Project Critical Path (set up in Voyager or attached in a spreadsheet) 	Mandatory	
<ul style="list-style-type: none"> Partnership Funding Proposal 		
<ul style="list-style-type: none"> Specific Funding (Grant) outline 		
Project Development products		
<ul style="list-style-type: none"> Populated Issues and Risks register 	Mandatory	
<ul style="list-style-type: none"> Stakeholder Analysis 	Mandatory	
<ul style="list-style-type: none"> Technical Feasibility Assessments 		
<ul style="list-style-type: none"> Partnership Agreement 		
<ul style="list-style-type: none"> Non-Financial Benefits 		
Other Attachments (list as appropriate)		
<ul style="list-style-type: none"> None 		

APPENDIX 2 – WARD COUNCILLOR CONSULTATION

Site Location	Ward	Member(s)	Member's Responses
Lenton Croft	South Yardley	Cllr Zaker Choudhry	AWAITING – Sent 06/06/2018
Hollybank Road	Billesley	Cllr Philip M Davis Cllr Lucy Seymour-Smith	Supporting email received from Cllr Phil Davis 9/7/18 (with cc to Cllr Seymour-Smith)
Alum Drive	Heartlands	Cllr Shafique Shah	Supporting email received 19/5/18 from Cllr Shafique Shah confirming support in principle, subject to any proposals being compatible with surrounding properties.
Poplar Avenue	Sutton Roughley	Cllr Ewan Mackey	Development Team officers confirm scheme discussed with Cllr Mackey in June 2018 and that he fully supports the development of dormer bungalows on this site. Sutton Town Council notified on 25 July 2018
Longley Avenue	Sutton Walmley and Minworth	Cllr David Barrie Cllr Ken Wood	Close consultation with both ward councillors re developing public open space. Both Cllr's have leafleted general area in May 2018 and report no current objections to this small scheme but will be tested further at Planning Application and loss of POS process stages. Sutton Town Council notified on 25 July 2018
Houldey Road	Longbridge and West Heath	Cllr Debbie Clancy Cllr Brett O'Reilly	Councillor Clancy supports development by BMHT – supporting email 9/5/18 Councillor O'Reilly supports development by BMHT- cabinet member briefing on 19/7/18

APPENDIX 3

PROPOSED SCHEME SUMMARY AND FORMER LAND USE

Scheme Address	Ward	Former Land Use	Proposed Mix	No.	Status
Alum Drive	Heartlands	Former garage court	4 x 2 Bed/4person bungalows	4	Planning Application to be submitted September 2018
Hollybank Road	Billesley	Former garage court	2 x 2Bed/4person bungalow , 1 x 2Bed/4person house , 2 x3bed/5person house	5	Planning Application to be submitted September 2018
Lenton Croft	South Yardley	Former garage court	2 x 2Bed/4person houses 1 x 4Bed/7person house	3	Planning Application to be submitted September 2018
Longley Avenue	Sutton Walmley and Minworth	Public Open Space (HRA)	5 x 2 Bed/4Person dormer bungalows	5	Planning Application to be submitted September 2018
Poplar Avenue	Sutton Roughley	Former HRA sheltered scheme (flats)	15 x 2 bed/4person dormer bungalows	15	Planning Application submitted (July 2018) and awaiting determination
Houldey Road	Longbridge and West Heath	Former HRA shops and flats above	7 x 2 bed/4person houses 2 x 4 bed/7person houses	9	Planning Application to be submitted in September 2018
			Total	41	

Appendix 4

BMHT Projected Completions 2018/19 to 2021/22					
	Completions planned 2018/19	Completions planned 2019/20	Completions planned 2020/21	Completions planned 2021/22	Total
Schemes Approved					
Kings Norton	55	52	0	0	107
Meadway	38	30	0	0	68
Abbey Fields	44	0	0	0	44
Perry Common	13	0	0	0	13
Schemes Approved October 2015	46	0	0	0	46
Schemes Approved November 2016	10	0	32	0	42
Schemes Approved September 2017	0	106	0	0	106
Other schemes	20	6	7	0	33
Total - Schemes Approved	226	194	39	0	459
FBC Schemes					
Alum Drive	0	4	0	0	4
Hollybank Road	0	5	0	0	5
Lenton Croft	0	3	0	0	3
Longley Avenue	0	0	5	0	5
Poplar Avenue	0	15	0	0	15
Houldey Road	0	0	9	0	9
Total - FBC Schemes	0	27	14	0	41
Total - Approved Schemes and Schemes included in this FBC	226	221	53	0	500
Schemes being worked up to FBC stage	13	96	212	226	547
Total	239	317	265	226	1,047
HRA Business Plan 2018+ and slippage from 2017/18	369	237	221	215	1,042
Over / (Under) Budget	(130)	80	44	11	5